

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Stanley J. Williamson
and Joni K. Williamson
Debtor(s).

BKY NO.: 04-33450
CHAPTER 7

**RESPONSE TO
TRUSTEE'S OBJECTION**

TO: MICHAEL S. DIETZ, THE INTERIM TRUSTEE HEREIN AND THE U.S. TRUSTEE.

PLEASE TAKE NOTICE, that the debtor will appear at the hearing on this motion on September 7, 2004 at 1:30 p.m. or as soon thereafter as counsel can be heard, in Court Room 228B, The United States Courthouse, 316 North Robert Street, St. Paul, Minnesota, and at that time and place dispute the trustee's objection.

1. This Court has jurisdiction over this motion or this motion is authorized under 28 U.S.C. 157 and 1334, Bankruptcy Rule 5005, and Local Rule 1070-1. This proceeding is a core proceeding. This Chapter 7 case was commenced on June 10, 2004. Michael S. Dietz was appointed as Chapter 7 trustee on June 14, 2004. The first meeting of creditors was scheduled for July 9, 2004. This case is now pending in this Court.

2. This motion arises under 11 U.S.C. 522, Bankruptcy Rule 4003 and Local Rule 4003-1(a). This motion is filed under Bankruptcy Rule 9014 and Local Rules 9013-1, 9013-2, and 9013-5.

3. Debtor concedes that this asset is not exempt under Minnesota Statute §550.37(9). However, debtor affirmatively alleges and claims that the Trust in question contains a valid spendthrift provision (see paragraph 8 of "Trust Agreement") and accordingly, this Trust is not property of the estate pursuant to 11 U.S.C. §541(c)(2).

4. Attached as Exhibit A is a true and correct copy of the 3 page Trust Agreement that is the subject of this matter. The document was provided to the trustee pursuant to a letter mailed to him by first class mail on August 13, 2004.

WHEREFORE, the debtor prays for a determination of this court determining that debtor's interest in the above described Trust is not an asset of the estate and accordingly, cannot be administered or liquidated by the trustee herein.

Dated: August 27, 2004

/e/ William L. Bodensteiner
William L. Bodensteiner #149093
Attorney for Debtor
309 South Main Street
Austin, MN 55912
(507) 437-7686

VERIFICATION

I, William L. Bodensteiner, the attorney for the debtor, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

/e/ William L. Bodensteiner
William L. Bodensteiner #149093
Attorney for Debtor
309 South Main Street
Austin, MN 55912
(507) 437-7686

TRUST AGREEMENT

Stanley J. Williamson, a single person, a resident of Mitchell County, Iowa, and hereafter referred to as Grantor, and Helen V. Williamson, Trustee, agree as follows:

Grantor hereby agrees to transfer to and convey his undivided one-half interest in and to the following described real estate located in Mitchell County, Iowa:

The Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4), and except for 2.41 Acres railroad, the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4), all in Section Sixteen (16), Township One Hundred (100) North, Range Eighteen (18), West of the 5th P.M., 77.59 Acres, more or less,

to Helen V. Williamson, Trustee, to hold, manage, administer and distribute as follows:

1. This Trust shall be known as The Stanley J. Williamson Trust.
2. If Helen V. Williamson should decline, refuse or be unable to continue to serve as Trustee, then Craig Doll, of Osage, Iowa, shall serve as Trustee with full power hereunder.
3. Helen V. Williamson or Craig Doll shall be permitted to serve without bond.
4. Grantor will contemporaneously herewith execute and deliver a Quit Claim Deed for the above described real estate to The Stanley J. Williamson Trust.
5. The Trustee shall, from time to time, but at least annually, pay the net income from this Trust to or for the benefit of Grantor.
6. This Trust is irrevocable. Grantor, by himself, or acting with any other person, shall not be permitted to revoke, change, alter or amend this Trust or any of the terms thereof.
7. Grantor shall be permitted to add additional property to this Trust and when so added such property shall be a part of the corpus of this Trust and shall be held, managed, administered and distributed pursuant to the terms of this Trust Agreement.

This Trust shall be permitted to receive property from any other sources, and such additional property, if received, shall be held, managed, administered and distributed pursuant to the terms of this Trust Agreement.

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8. No life interest shall be made in any property of the Trust, or in any part thereof, or in any part of the income of the Trust, and neither principal nor income of said Trust shall be liable to be reached by any creditor or creditors of any beneficiary, nor shall any beneficiary have any power to sell, assign, transfer, encumber or in any other manner to anticipate or dispose of his or her interest or the income produced therefrom, prior to the actual distribution by the Trustee to the beneficiary.

9. Upon the death of Grantor, the Trustee shall:

a. Distribute all property to the Grantor's children, share and share alike, the share of each child to be paid to such child or to such child's share per stirpes, but if any beneficiary be then less than twenty-one (21) years of age, the share shall accumulate in part for the benefit of such beneficiary who is then less than twenty-one (21) years of age, with income to accumulate, and the share shall be paid to such beneficiary when he or she attains the age of twenty-one (21) years; the Trustee shall distribute all property to such beneficiary;

b. If Grantor is not survived by issue, then the Trustee shall distribute all Trust property to Helen V. Williamson. If Helen V. Williamson be not then surviving, the Trustee shall distribute all Trust property to the heirs of Grantor, share and share alike, and if no heirs be then surviving, the Trustee shall distribute all Trust property to the heirs of Helen V. Williamson, share and share alike.

And this Trust shall terminate.

IN WITNESS WHEREOF, the Trustee has hereunto set his hand and the seal of the Trust Agreement.

Dated this 5th day of January, 1980.

[Signature]
MARION E. [illegible]

Accepted this 5th day of January, 1980.

[Signature]
HELEN E. WILKINSON, Trustee

UNSWORN CERTIFICATE OF SERVICE

I, Keri Ann Yerhart, declare under penalty of perjury that on August 27, 2004, I mailed copies of the attached "Response to Trustee's Objection" by first class mail postage prepaid to each entity named below at the address stated:

US TRUSTEE
1015 US COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

MICHAEL S. DIETZ
505 MARQUETTE BLDG
PO BOX 549
ROCHESTER MN 55903

STANLEY & JONI WILLIAMSON
509 SOUTH MAIN STREET
AUSTIN MN 55912

Executed on: August 27, 2004

Signed: /s/ Keri Ann Yerhart
Keri Ann Yerhart
Bodensteiner Law Firm
309 South Main St.
Austin MN 55912
(507)437-7686